

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS JOHN P. KELLEY (USPS-T-15) TO INTERROGATORY OF
VALPAK DIRECT MARKETING SYSTEMS, INC. AND VALPAK DEALERS'
ASSOCIATION, INC. (VP/USPS-T15-1) (August 4, 2006)

The United States Postal Service hereby provides the response of witness John P. Kelley (USPS-T-15) to the following interrogatory of Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association, Inc, filed on July 31, 2006:

VP/USPS-T-15-1

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS
KELLEY (USPS-T-15) TO INTERROGATORY OF VALPAK DIRECT MARKETING
SYSTEMS, INC. AND VALPAK DEALERS' ASSOCIATION, INC.

VP/USPS-T15-1.

Please refer to your response to UPS/USPS-T15-6.

- a. Are these non-volume variable product specific costs of the network, discussed in your response, attributed to Priority Mail and First-Class Mail?
- b. If your answer to preceding part a is affirmative, what basis is used to distribute these product specific costs to Priority Mail and First-Class Mail (e.g., weight, volume, some combination of the two, or something else)?

RESPONSE:

a. No, the non-volume variable product specific costs are included in the incremental costs for the group of products defined by First Class Mail and Priority Mail. These costs are not further allocated to the individual products that make up the group.

b. Not applicable.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

Brian M. Reimer

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